

SUBMISSION TO CITY OF MELBOURNE 2023-24 DRAFT BUDGET

The Victorian Council of Social Service welcomes the opportunity to provide the City of Melbourne with feedback on Council's draft budget for 2023-24.

We make this brief submission in the context of our role as Victoria's peak body for social and community services and the state's premier social advocacy body—and as a commercial tenant in the Melbourne CBD.

Overall, VCOSS is pleased the draft Budget retains a strong focus on advancing a more sustainable and equitable future for Melbourne.

There is strong alignment between City of Melbourne budget measures and VCOSS's policy and investment priorities to:

- Support social and economic equality, safety and wellbeing (for example, commitments around prevention of violence against women, disability access and inclusion, support for ageing in place, and food security)
- Tackle the climate emergency (for example, the development of battery storage and renewable energy in the municipality through the Power Melbourne initiative, strategic use of Council levers to create and promote green jobs, and city greening.)

We wish to particularly highlight VCOSS's support for Council's continued commitment to Homes Melbourne, which facilitates investment in initiatives that reduce homelessness and increase safe, secure and affordable housing in our city.

VCOSS encourages Council to build on these strong foundations and **increase Homes Melbourne's capacity by introducing a new targeted revenue measure in the 2023-24 Budget, specifically: a 'short stay' accommodation levy on AirBnB-type properties in the City of Melbourne.**

In the immediate term, this new levy or charge would produce an additional revenue stream for Council that could be quarantined and directed into Homes Melbourne, to supplement Council's existing investment in homelessness and affordable housing initiatives.

It could also provide impetus for the City of Melbourne to consider other levers it has at its disposal to encourage the use of investment properties for long-term rentals, rather than as short-stay accommodation. It would also create a foundation to engage with other councils, the Victorian Government and property investors to identify and advance multi-faceted systemic solutions to tackle the shortage of affordable private rental properties.

In providing this feedback to the City of Melbourne, VCOSS recognises it is difficult for Council to introduce new charges or fees during a cost-of-living crisis. However, we note short-stay accommodation owners are investors in the provision of a fundamental human right: *a home*.

Given the scale and impact of the housing challenges confronting the City of Melbourne, VCOSS feels it is fair and reasonable to introduce a modest and targeted levy on these investors as they continue to make sizable gains on their property assets.

In closing, we would also urge the City of Melbourne to **include – and prioritise – community services workers as ‘key workers’ in the context of new affordable housing projects that have Council backing.**

The City of Melbourne is a hub for community services provision, but the majority of workers in this sector – typically, women in low-paid and insecure jobs, who are also juggling unpaid care responsibilities – cannot afford to live in the communities in which they work, and have lengthy commute times.

Community services organisations located in the CBD are struggling to meet community demand for assistance because of workforce shortages. Consequently, VCOSS is keen to see community services workers prioritised for affordable housing projects in the City of Melbourne.

VCOSS is the peak body for Victoria’s social and community sector, and the state’s premier social advocacy body. We work towards a Victoria free from poverty and disadvantage, where every person and community experiences genuine wellbeing.

We welcome the opportunity to provide this input.

This submission is authorised by VCOSS CEO Emma King.



VCOSS acknowledges the Traditional Owners of Country. We pay respect to Elders past and present, and to emerging leaders. Our business is conducted on sovereign, unceded Aboriginal land.